

**AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]**

**Adopted and Filed**

**Rule making related to marketing programs**

The Agriculture and Land Stewardship Department hereby amends Chapter 52, “Marketing,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is adopted under the authority provided in Iowa Code section 159.27.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code section 159.28 and 2022 Iowa Acts, House File 2560.

*Purpose and Summary*

This rule making makes a number of changes to the Choose Iowa Promotional Program and Value-Added Agriculture Grant Program rules.

Updates to the promotional program include:

- Providing a definition for “honey product” and the “supporting organization” membership classification as well as updating the definition for “wholesaler” membership classification;
- Providing product qualifications for an Iowa cider;
- Revising the duration of membership in the program to coincide with the anniversary date of the participant’s registration as opposed to the current calendar basis.

Updates to the grant program include:

- Clarifying that in-kind contributions do not qualify as part of the private match requirement;
- Limiting grant applicants to one project application per grant cycle;
- Clarifying that priority will be given to applicants who were not awarded grant funding in the previous fiscal year;
- Revising the scoring criteria for grant applications;
- Clarifying that grant funds will be disbursed by reimbursement once a project is fully completed.

*Public Comment and Changes to Rule Making*

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on February 22, 2023, as **ARC 6907C**. No public comments were received.

The following changes from the Notice have been made:

1. Added a definition for “honey product” and updated product qualifications for honey based on industry feedback;
2. Updated the definition of “wholesaler” for the membership classification to include distribution;
3. Specified that in-kind contributions do not qualify as part of the private match requirement. This was included in the Notice preamble but was inadvertently not included in the proposed rule making.

*Adoption of Rule Making*

This rule making was adopted by the Department on May 9, 2023.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

### *Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

### *Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 21—Chapter 8.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

### *Effective Date*

This rule making will become effective on July 5, 2023.

The following rule-making action is adopted:

ITEM 1. Adopt the following **new** definitions of “Honey product” and “Supporting organization” in rule **21—52.1(159)**:

“*Honey product*” means a product where honey is a principal ingredient. For purposes of this definition, a product shall be considered to have honey as a principal ingredient if the product contains at least 50 percent honey by weight.

“*Supporting organization*” is a membership classification that means a person, unified group, association, or business supporting the efforts of the choose Iowa promotional program.

ITEM 2. Amend rule **21—52.1(159)**, definition of “Wholesaler,” as follows:

“*Wholesaler/distributor*” is a membership classification that means a person engaged in the business of selling or distributing agricultural products to retailers or institutions.

ITEM 3. Amend paragraph **52.2(2)“e”** as follows:

*e.* Apicultural products produced by honey bees, including honey, wax, pollen, and propolis, bearing the choose Iowa logo shall be 100 percent of Iowa origin. ~~Processed honey~~ Honey products shall be 80 utilize honey that is 100 percent of Iowa origin.

ITEM 4. Amend paragraph **52.2(2)“f”** as follows:

*f.* Beer or cider bearing the choose Iowa logo shall be ~~brewed~~ produced in Iowa and contain at least one Iowa agricultural product, such as Iowa malt, hops, apples, corn, or soluble remnant, excluding water.

ITEM 5. Amend subrule 52.3(3) as follows:

**52.3(3) Duration of membership.** Membership is on an annual basis, coinciding with the ~~calendar year beginning January 1 and ending December 31~~ member’s anniversary date of original registration.

ITEM 6. Amend rule 21—52.4(159) as follows:

#### **21—52.4(159) Fees Membership fees.**

**52.4(1) Membership fees.** Membership fees will be listed in the membership application and will be charged at the following rates:

Producer	\$100
Processor	\$100
Wholesaler/distributor	\$100
Retailer	\$100
Supporting organization	\$100

~~52.4(2) *New member fees.* New member agreements issued during the program year will be assessed at 100 percent of the annual fee regardless of when an application for membership is submitted.~~

ITEM 7. Amend paragraph **52.21(4)“b”** as follows:

*b.* An applicant must demonstrate the ability to provide matching support for the project on a one-to-one basis. The matching financial support shall be from private sources and does not include in-kind contributions.

ITEM 8. Amend subrule 52.22(2) as follows:

**52.22(2)** Applications will only be accepted during the times established by the department. Late submissions will not be accepted. An individual, business, agricultural cooperative, nonprofit organization, or local government may only apply for one project per grant cycle.

ITEM 9. Adopt the following **new** subrule 52.22(5):

**52.22(5)** Priority will be given to applicants who were not awarded a grant in the previous fiscal year.

ITEM 10. Amend paragraph **52.23(2)“a”** as follows:

*a.* The extent to which the project addresses the goals of the program to increase the sale of Iowa agricultural products, increase market access, diversify markets, or increase processing capacity: ~~25~~ 20 points.

ITEM 11. Amend paragraph **52.23(2)“d”** as follows:

*d.* The sufficiency of the project’s budget and financing structure: ~~45~~ 20 points.

ITEM 12. Amend rule 21—52.24(159) as follows:

**21—52.24(159) Disbursement of funds.** The department will disburse funds for a project only after an agreement has been executed between the applicant and the department and all applicable conditions for disbursement have been met, including the submission of documentation pertaining to the eligible expenditures. Disbursement of funds under the agreement will be on a reimbursement basis for expenses incurred by the applicant upon completion of a project.

[Filed 5/11/23, effective 7/5/23]

[Published 5/31/23]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 5/31/23.